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SIPDIS

E.O. 12958: N/A

TAGS: [PGOV](#) [AE](#)

SUBJECT: UAE RELIEVES MINISTER OF DUTIES UNDER CORRUPTION CLOUD

Classified by Charge d'Affaires Martin Quinn, reasons 1.4 (b) and (d).

11. (U) Summary: On July 27, 2008, UAE President Khalifa relieved Minister of State Dr. Khalifa Bakheet al-Falasi of his duties after the latter was referred for prosecution for allegedly mishandling the assets of a deceased business partner. End summary.

12. (SBU) After some speculation in the press about an unnamed minister facing legal problems, and recent references to Minister of State Dr. Khalifa Bakheet al-Falasi as the offending party, UAE President Shaikh Khalifa bin Zayed issued a federal decree July 27 removing Dr. Khalifa from his post. Prime Minister Sheikh Mohammed bin Rashid al-Maktoum had recommended the decision. Earlier reports quoted Dubai's Attorney General as saying that the Public Prosecution had referred al-Falasi and his associates to the Dubai Court of First Instance in a case originally filed in Abu Dhabi by a Lebanese woman who claims that al-Falasi mishandled the assets of her brother's company after his death -- he was a businessman who owned several companies in Dubai and had engaged al-Falasi as a local partner since 11995. The Lebanese woman reportedly sought compensation for her deceased brother's assets.

13. (C) Al-Falasi, who has a doctorate in political science and international relations, was previously an Under Secretary at the Ministry of Education (early 1990s) before being named UAE Ambassador to Australia. His educational reform efforts reportedly got him cross-wise with the religious establishment; threats against him and his family reportedly led to his being dispatched to Canberra to allow tensions to cool. He was also a businessman and member of the boards of several associations (including the Consultative Authority of the Gulf Cooperation Council). He was named as a new Minister of State (without portfolio) in a cabinet reshuffle earlier this year.

14. (C) Comment: Al-Falasi's ouster is likely designed to remove a political irritant from the Cabinet, although the merits of his legal case still need to take their course through the courts. This rare move for the UAEG helps distance the leadership from any suggestion that the UAE might be tolerant of corruption. It is unclear whether his previous detractors (stemming from his education reform efforts) might have played a role in this turn of events. End comment.

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